GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:6879
ANSWERED ON:09.05.2003
STORAGE AND TRANSPORTATION OF FOODGRAINS
GANGASANDRA SIDDAPPA BASAVARAJ

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the expenditure incurred on the purchase, storage and transportation of foodgrains per quintal by the Food Corporation of India during the last three years and the current year;

(b) whether the Food Corporation of India has increased the overhead charges fixed for rice and wheat during the above period;

(c) if so, the details thereof and the reasons therefor;

(d) whether the huge amount is being spent for preservation of foodgrains in comparison to the actual cost of foodgrains;

(e) if so, the reasons therefor; and

(f) the steps taken by Food Corporation of India for reducing the said cost?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SU MAHARIA)

(a): The per quintal expenditure incurred on the purchase, storage and transportation of wheat and rice by Food Corporation of India during the last three years and the current year are as follows:-

Wheat Year	Purchase	Storage	Transport@
2000-01 (Actual)	744.13	12.66	59.25
2001-02 (Prov.)	742.04	14.29	39.02
2002-03 (RE)	763.02	16.84	42.40
2003-04 (BE)	777.94	19.52	48.79
Rice			
2000-01 (Actual)	991.15	12.66	59.82
2001-02 (Prov.)	1063.02	14.29	16.36
2002-03 (RE)	1094.96	16.84	23.68
2003-04 (BE)	1106.35	19.52	29.88

(@ From 2001-02 part of transportation is being charged to buffer carrying cost as per the recommendations of the Expenditure Reforms Commission.)

(b)&(c): No, Sir. The per quintal administrative overhead charges for wheat and rice as a part of the economic cost of foodgrains have been decreasing continuously during 2000-01 to 2002-03. The projections for 2003-04 are based on estimates. The details of administrative overhead charges are as under:-

Year	(Rate Per qtl.) Wheat	Rice
2000-01 (Actual)	16.65	16.65
2001-02 (Prov.)	15.07	15.07
2002-03 (RE)	13.80	13.80

2003-04 (BE) 14.41 14.41

(d)&(e): No, Sir. The amount spent on maintenance of the buffer stock is less incomparison to actual cost i.e. purchase cost of wheat and rice given above. The amount spent on buffer carrying cost of foodgrains is as under:-

Year	Carrying cost (Rs./Qtl.)
2000-01 (Actuals)	173.23
2001-02 (Prov.)	222.05
2002-03 (RE)	284.28
2003-04 (BE)	339.31

(f): The steps taken by FCI to reduce the said cost are as under:-

i) Achieving average capacity utilization of 75% to reduce storage cost.
ii) Efforts to reduce losses in the shortages in handling, storage and movement of foodgrains.
iii) Making efforts to reduce the incurrence of Railway demurrage charges.

iv) Controlling the administrative cost by minimum recruitment of resultant entry level posts.
v) Issue of old stocks and disposal of C&D category stocks.
vi) Machine stitching of gunnies and handling of foodgrains in 50 kg. bags to reduce storage and transit loss.
vii) Ensuring strict quality control measures.
viii) Efforts to reduce damages to foodgrains.